

**LEASE CONTRACT WITH OPTION TO RENEW
AND OPTION TO PURCHASE**

This Lease Contract this day made and entered into by and between J. L. Kilgore, hereinafter referred to as Lessor, and Jubilee Investments, Inc., a Mississippi Corporation, hereinafter referred to as Lessee.

WITNESSETH THAT:

1. The Lessor does hereby lease and let unto the Lessee, for the period of time and under the terms and conditions hereinafter stated, the property located at 2810 Highway 51 South, Hernando, DeSoto County, Mississippi, and more fully described as follows: the building with all gas pumps, tanks, fixtures, pipes, appurtenances thereto and parking area and which building is presently housing Lessee's business known as F D W Mart and the real estate therewith, said lot being described as bounded on the North by the North line of the J. L. Kilgore lot, on the East by the property owned by the City of Hernando, Mississippi, on the West by the East right of way line of U. S. Highway 51 and on the South by a line extending East and West from the East right of way line of U. S. Highway 51, along the South wall of the building housing F D W Mart and extending East to its intersection with the City of Hernando property.

That said leased premises shall be increased in size effective January 1, 1999, and as set forth herein in Paragraph 2 hereof.

2. The term of this Lease shall be for a period of five (5) years and four (4) months beginning on the 1st day of September, 1998, and ending on the 31st day of December, 2003, with an option to renew as hereafter provided. Monthly rental for said property which the Lessee does hereby promise and agree to pay to the Lessor, as and when it becomes due, shall be the sum of \$1,000.00 per month due and payable on the 1st day of each month during the months of September, October, November and December, 1998, the first payment of rental to be made on the 1st day of September,

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Notwithstanding any provisions to the contrary, effective January 1, 1999, the leased premises shall be increased to include the two story building South and adjacent to the building presently housing the Lessee's business known as F D W Mart. That the real property being leased shall be increased in size by extending the South line to a point identified as a East-West line running from the intersection of the East right of way of U. S. Highway 51 easterly along a line along the South wall of the two story building and extending East to its intersection with the City of Hernando lot (and/or the lot immediately East of the Kilgore lot).

That effective January 1, 1999, the monthly rental for the remainder of the term or any renewal thereof shall be the sum of One Thousand Five Hundred Dollars (\$1,500.00) per month, payable monthly as herein provided, said increase being conditioned on Lessor's delivery of the two story building in good condition.

Any rental payment not made at or before its maturity shall bear interest thereafter at the rate of 8% per annum until paid. Real estate taxes (City and County) assessed against the leased premises during the term of the Lease or any renewal shall be paid by the Lessor.

3. In the event Lessee shall make default in the payment of said rental when due and such default shall continue for fifteen (15) or more days, or in the event the Lessee shall violate or fail to perform any other agreement contained herein, the Lessor may, at his option, cancel this Lease Contract. The Lessor may exercise said option by serving a written notice of cancellation, such notice to be served by being delivered personally to the Lessee or mailed to it by United States Mail, postage prepaid, certified mail, addressed to the Lessee at 2810 Highway 51 South, Hernando, Mississippi 38632, or posted in a conspicuous place on said property; and, upon delivery, mailing (mailing shall be deemed completed when deposited in a U. S. Post Office) or posting of such

notice, the cancellation shall be complete and this Lease Contract shall thereafter be null and void as to the portion of said term then unexpired.

4. The Lessee agrees that immediately upon the expiration of or cancellation of this Lease Contract to surrender possession of said property to the Lessor in as good condition as when leased to the Lessee, usual wear and tear excepted.

5. The Lessor reserves the right to go upon said property at any and all times for the purpose of showing the same to prospective purchasers and otherwise looking after his interest.

6. The Lessee agrees not to commit nor permit waste to the property and Lessee shall at all times maintain the building(s) and parking area in a neat and presentable appearance.

7. The Lessee shall make no changes, alternations or additions about the premises or any improvements thereon without first obtaining written consent of the Lessor and in no event to do anything that shall weaken the building now on the premises.

8. In the event of the insolvency or bankruptcy of the Lessee or the filing of any petition under the bankruptcy statutes, voluntarily or involuntarily, and whether or not resulting in an adjudication in bankruptcy, or in the event of a partial or general assignment for the benefit of a creditor, at any time thereafter, the Lessor shall have the right to terminate this Lease upon giving written notice thirty (30) days in advance, said notice to be by U. S. Mail, Certified, addressed to the Lessee at 2818 Highway 51 South, Hernando, Mississippi 38632.

9. The Lessor shall be responsible for the upkeep and maintenance of the walls of the building(s) and shall tender the building(s) to the Lessee in good condition with all electrical, plumbing and sewerage lines in good working order and in compliance with all City of Hernando building codes and ordinances. The Lessee shall be fully responsible for all maintenance of the demised premises with the exception of those items specifically

reserved to the Lessor. The Lessee shall be responsible for the upkeep and maintenance of all parking area and shall tender the same to the Lessor upon termination or cancellation of the lease, usual wear and tear excepted.

10. Notwithstanding any provisions and/or terms to the contrary contained herein, the Lessor acknowledges and covenants that he shall be solely responsible for the cleanup, repair, abatement and removal of any hazardous waste "spills" and/or conditions or contaminations that exist at the inception of the Lease (being January 1, 1999) on the leased premises that violates any Federal, State, Municipal or County environmental statute, rule, regulation, law, court order or decree. The Lessor's obligations and duties set forth herein shall include but not be limited to complying with all environmental laws concerning underground storage tanks and Lessor shall be fully responsible for bringing said tanks into compliance with all Federal, State, Municipal and County regulations. That Lessor acknowledges that he is the "owner" of said tanks as contemplated and defined by Section 49-17-401 et seq of the Mississippi Code of 1972, Annotated and Amended (known as the Mississippi Underground Storage Tank Act of 1988) and that during the term of this Lease or renewal thereof he shall be fully responsible and liable for all fees and expenses required by said law, including, but not limited to, the "tank regulatory fee" provided by Section 49-17-421 of the Mississippi Code of 1972, Annotated and Amended. That Lessor shall bare all cost and expense incurred in bringing the tanks into compliance and he shall do so in a manner so as not to interfere with Lessee's usual business operation. The parties acknowledge that the sale of gasoline is an intricate part of Lessee's business and in the event such portion of his business shall be interrupted in order to allow Lessor to repair, replace or correct any environmental violation and/or condition, that the rent being charged shall be abated in a sum to be agreed upon by the parties until the violation and/or

condition is remedied.

The Lessor for and on behalf of himself individually, his heirs, assigns, beneficiaries, estates, personal representatives, successors and transferees agrees to indemnify and hold Lessee, its assigns, successors and transferees harmless from any and all cost, expense, fines, judgments, decrees, attorney's fees and litigation cost which it may sustain during the term of this Lease or any renewal thereof for any environmental violation that now exists and/or may hereafter exist, whether known and/or unknown, and arising from the condition of the premises leased to the Lessee. In the event any violation may now exist or hereafter exist and/or manifest itself hereafter, related to the Lessee's use of the underground storage tanks, the Lessee's use of said tanks shall in no way cause the Lessee to assume and/or be deemed liable for any such violation, it being the Lessor's exclusive duty and obligation to have said tanks in full compliance with any Federal, State, Municipal or County statutes, rules and/or regulations pertaining to said underground tanks and to keep them in compliance during said term and/or any renewal thereof.

The parties hereto agree that, notwithstanding any provision to the contrary contained in this Lease, if the Lessor has failed to bring the underground storage tanks into compliance with all Federal, State, County or Municipal regulations on or before January 1, 1999, then in such event the Lessee agrees that it will not sell, dispense or use said underground tanks during the term of the Lease or any renewal thereof. The failure to the Lessor to bring the tanks into compliance by January 1, 1999, shall not be deemed a waiver of his right to do so thereafter if he so elects, the matter of compliance being totally the responsibility of the Lessor. There shall be no abatement in rent in the event the Lessor shall fail to bring said tanks into compliance by January 1, 1999.

11. The Lessor agrees that he shall insure said premises at

his expense against loss by fire or natural hazards with extended coverage on the buildings during the term of said Lease or any renewal thereof and which policy shall include vandalism, malicious mischief on the buildings of which the demised premises are a part. Lessee, at his expense, shall carry insurance in such sums as he deems appropriate to insure his merchandise, contents, equipment and leasehold improvements, if any.

12. Should the building upon the demised premises be totally destroyed by fire or other cause or so damaged that rebuilding and repairing could not be completed within 120 days from the date of the fire or other cause of damage, this Lease shall terminate and the Lessee shall be discharged from the payment of rent from the date of such damage or destruction. However, if the damage is such that the rebuilding and repairs can be completed within 120 days, the Lessor covenants and agrees to make such repairs with reasonable promptness and dispatch and to allow Lessee an abatement in the rent for such time as the building is untenable and the Lessee covenants and agrees that the terms of this Lease shall not otherwise be affected.

13. In the event the Lessee shall fully comply with all of the provisions of the Lease, in such event the Lessor shall have the right to renew said Lease for three (3) additional terms of five (5) years each, said renewal to be on the same terms and conditions as this Lease. Provided, however, the Lessee shall, if it so desires, have the option to terminate this Lease at the termination of the original Lease or any renewal thereof by giving written notice of said termination to the Lessor at his address at least thirty (30) days before the termination of the initial term or any renewal thereof. Notice shall be by U. S. Mail, postage prepaid, certified mail and the delivery of said notice to a U. S. Post Office shall be deemed satisfaction of the mailing requirement.

The Renewal Lease shall be upon the same terms and conditions

as the original Lease and the parties agree to execute a Renewal Lease and/or a memorandum of the continuation of this Lease before each new renewal term.

Should the Lessee desire to renew said Lease, it shall do so by giving the Lessor written notice thereof thirty (30) days before the termination of the original term and/or any renewal by mailing said notice to the Lessor by U. S. Mail, postage prepaid, Certified mail to his address, being 138 Vaiden Drive, Hernando, MS 38632. Delivery of said notice to a U. S. Post Office shall be deemed satisfaction of the mailing requirement.

14. That the Lessee will at its expense keep said demised premises in good repair and tenantable condition during said term or any extension and the Lessee will replace at its expense any and all broken glass in and about said premises with glass of the same size and quality.

15. No representations except such as are contained herein or endorsed hereon, have been made to the Lessee respecting the condition of said premises. The taking possession of the said premises by the Lessee shall be conclusive evidence as against the Lessee that said premises were in good and satisfactory condition when possession of the same was so taken, and the Lessee will, at the termination of this Lease, by lapse of time or otherwise, return said premises to the Lessor in as good condition as when received, ordinary wear expected.

16. The Lessee will not use or permit upon said premises anything that will invalidate any policies of insurance now or hereafter carried on said building or that will increase the rate of insurance on said demised premises or on the building of which said demised premises are a part; that the Lessee will not use or permit upon said demised premises anything that may be dangerous to life or limb, excepting however, gasoline and petroleum products and such other products and/or substances it normally handles in the transaction of its business. The Lessee will not in any manner

deface or injure said building or any part thereof, that the Lessee will not permit any objectionable noise or odor to escape or be emitted from said premises, or do anything or permit anything to be done upon said premises in any way tending to create a nuisance, or tending to disturb the occupants of neighboring property, or tending to injure the reputation of the said building, excepting however, any usual noises and/or odors associated with the Lessee's present business; the Lessee will comply with all governmental, health and police requirements and regulations respecting said premises including, but not limited to, federal, state and city regulations, statutes and ordinance, excluding, however, any environmental regulations which the Lessor specifically assumes as set forth in Paragraph 10 above.

17. Lessee, at its expense, shall maintain plate glass, public liability and property damage insurance, insuring Lessee with minimum coverage as follows: \$500,000.00 public liability and property damage insurance and plate glass insurance with replacement cost coverage.

18. Lessee agrees that it shall be responsible for the payment of all utilities, including water, gas, electricity, heat and other services rendered to the premises.

19. Any and all improvements made to the premises during the term hereof shall belong to the Lessor, except trade fixtures of the Lessee. Lessee may, upon termination hereof, remove all of its trade fixtures, but shall repair or pay for all repairs necessary for damages to the premises occasioned by removal.

20. In case suit should be brought for the recovery of the premises, or for any sum due hereunder, or because of any act which may arise out of the possession of the premises, by either party, the prevailing party shall be entitled to all costs incurred in connection with such action, including a reasonable attorney's fee.

21. No failure of Lessor to enforce any term hereof shall be deemed to be a waiver. Lessor will, during the term of this Lease

or any renewal thereof, guarantee to the Lessee the quiet, peaceful and uninterrupted possession of said premises.

22. In the event of any eminent domain and/or condemnation proceeding either party to the Lease shall have the right to terminate the Lease upon thirty (30) days written notice mailed by U. S. Mail, postage prepaid, Certified mail to the Lessee at 2810 Highway 51 South, Hernando, MS 38632, or to the Lessor at 138 Vaiden Drive, Hernando, MS 38632.

Should the Lessee elect not to terminate the Lease, any sums paid to the Lessee by the condemning party shall remain the sole property of the Lessee, free from any claim of Lessor. In the event of said condemnation, the parties agree to equitably adjust the rent dependent upon the area being taken in said proceeding.

OPTION TO PURCHASE

For and in consideration of the sum of Ten Dollars (\$10.00) cash in hand paid by Lessee to the Lessor and other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged by Lessor, the Lessor does hereby give, grant and convey to the Lessee the right to purchase the real property and all improvements thereon and being the leased premises and being described as follows: A lot situated in the City of Hernando, Mississippi, presently housing F D W Mart and the two story building adjacent and South thereof, said lot being generally described as: A lot bounded on the West by U. S. Highway 51 South, on the North by Town Lot 340, on the East by property owned by the City of Hernando and on the South by a line running East-West from U. S. Highway 51 East along the South wall of the two story building to the line's intersection with the adjoining property on the East (believed to be owned by the City of Hernando). A more definite description to be provided by a survey in the event the

option is exercised.

A. The consideration to be paid for said purchase shall be the sum of One Hundred Twenty Thousand Dollars (\$120,000.00) in cash.

B. This Option shall extend from September 1, 1998, to December 31, 2003 (hereinafter referred to as "Option Term"), at which time it shall automatically terminate.

C. If Lessee desires to exercise said Option, it shall do so by giving written notice, anytime during the Option term, to the Lessor by U. S. Mail, certified, addressed to him at 138 Vaiden Drive, Hernando, MS 38632. The delivery of said notice to a U. S. Post Office shall be deemed sufficient compliance of delivery. The death of Lessor or Lessee shall not terminate this Option.

D. Upon receipt of notice of Lessee's desire to exercise the Option to Purchase, Lessor shall immediately:

- (i) Cause the premises to be surveyed;
- (ii) Cause the premises to be inspected by a firm, individual or entity approved by the State of Mississippi Environmental Protection Agency and an Environmental Audit shall be issued, certifying said premises to be free of any environmental contamination and/or violation of any environmental statute, rule or regulation.
- (iii) Cause a title search of at least 32 years in duration to be conducted by an attorney and/or title abstractor satisfactory to Lessee and a title certificate to be issued to Lessee certifying the title to be free of all liens, encumbrances or matters that would adversely effect the title to said property and certifying the Seller to be vested with a good marketable title in fee simple, subject only to rights of ways and easements for public roads and public utilities and subdivision, zoning and health regulations in effect in the City of Hernando.

E. Upon satisfactory compliance by the Lessor of the conditions herein set forth, parties shall close the transaction within thirty (30) days of delivery of the aforesaid title certificate, survey and Environmental Audit.

F. In the event the title certificate, survey or Environmental Audit shall reveal defects and/or objectionable matters, Lessor shall have a reasonable time to correct said defects and/or matters (said time not to exceed six (6) months). All cost and expense incurred for the survey, Environmental Audit or title certificate, as well as any curative action to be taken, shall be paid by the Lessor.

G. Taxes shall be prorated as of the date of closing and all closing costs shall be divided equally between the parties.

H. In the event Lessor cannot cure any defects and/or objectionable matters within the time limit provided in Paragraph "F" above, Lessee may terminate the sale by written notice to the Lessor and this Option shall be deemed terminated or Lessee can grant Lessor additional time to clear the defects and/or objectionable matters, said extension to be in writing signed by both parties.

I. In the event the Lessee does not exercise this Option, the Option shall terminate, provided however, if the Lessor shall, during the term of the original Lease or any renewal thereof, contract with a third party for the sale and purchase of said premises described above, then in such event Lessor shall give Lessee the right to purchase said premises on the same terms and conditions as provided in said third party contract. Lessee shall have thirty (30) days to close said transaction. Said thirty (30) day period shall commence on the date of delivery by the Lessor to the Lessee of a copy of said signed contract. A failure to close said purchase by the Lessee within said thirty (30) days shall terminate Lessee's right of purchase.


J. Any sale of said premises by Lessor to a third party

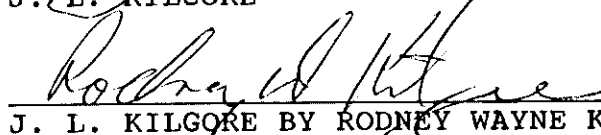
shall be subject to the terms and provisions of this Lease Contract.

K. In the event of any eminent domain proceeding and/or condemnation proceeding during the Option Term, the consideration for the purchase shall be reduced by the amount paid by said condemning authority to the Lessor. Lessee shall be allowed to retain, free from the claim of the Lessor, any sums paid directly to Lessee in the way of damages and/or compensation for the taking.

It is hereby covenanted between the parties hereto that all covenants, conditions, agreements and undertakings in this Lease and Option shall extend to and be binding on the respective heirs, executors, administrators, successors and/or assigns of the respective parties hereto, the same as if they were in every case named and expressed; also the term "Lessor" and "Lessee" shall be construed in the singular or plural number accordingly as they represent one or more than one person.

WITNESS the signatures of the Lessor and Lessees in duplicate original on this the 2 day of October, 1998.


J. L. KILGORE


J. L. KILGORE BY RODNEY WAYNE KILGORE,
ATTORNEY IN FACT

LESSOR

JUBILEE INVESTMENTS, INC.

BY: 
NIZAR MANJYANI, PRESIDENT

LESSEE

STATE OF MISSISSIPPI
COUNTY OF DESOTO

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said county and state, on this the 2 day of October, 1998, within my jurisdiction, the within named J. L. Kilgore, who acknowledged that he executed the above and foregoing Lease Contract With Option to Renew and Option to Purchase.

Dorothy Marie Hughes
Notary Public

My Commission Expires:

10-17-98

STATE OF MISSISSIPPI
COUNTY OF DESOTO

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said county and state, on this the 25th day of September, 1998, within my jurisdiction, the within named Rodney Wayne Kilgore, who acknowledged that he is the Attorney in Fact for J. L. Kilgore, pursuant to a General Power of Attorney dated the 2nd day of July, 1997, and duly recorded in Power of Attorney and Contract Book 74, Page 688, in the Office of the Chancery Clerk of DeSoto County, Mississippi, and that in said capacity as Attorney in Fact for J. L. Kilgore, he executed the above and foregoing Lease Contract With Option to Renew and Option to Purchase, having been authorized to do so pursuant to the terms and provisions of said General Power of Attorney.

Laura Lynn Edmister
Notary Public

My Commission Expires:

MY COMMISSION EXPIRES APRIL 24, 2001

STATE OF MISSISSIPPI
COUNTY OF DESOTO

PERSONALLY APPEARED BEFORE ME, the undersigned authority in and for the said county and state, on this the 25th day of September, 1998, within my jurisdiction, the within named Nizar Mahjiyani, who acknowledged that he is the President of Jubilee Investments, Inc., a Mississippi corporation, and that for and on behalf of said corporation, and as its act and deed he executed the above and foregoing Lease Contract With Option to Renew and Option to Purchase, after first having been duly authorized by said corporation so to do.

Laura Lynn Edmister
Notary Public

My Commission Expires:

MY COMMISSION EXPIRES APRIL 24, 2001